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NICARAGUAN REBELS SEEN BEHIND U.S. FUNDRAISING
BY Robert Parry
WASHINGTON

The chief Nicaraguan rebel force initiated two efforts last year to raise U.S. money for Nicaraguan refugees through outside groups, but almost no aid has reached the civilians, according to interviews with principals and internal documents.

Edgar Chamorro, a former director of the rebels' Nicaraguan Democratic Force, or FDN, said the first fundraising effort, using the Panamanian-based Human Development Foundation, was started last spring with CIA money to divert attention from agency plans to "launder" funds through other governments.

But the CIA denied any illegal attempt to circumvent the congressional aid cut-off a year ago that halted CIA support of the FDN, the largest Contra rebel group fighting to oust Nicaragua's leftist government. In the past month, the House and Senate have voted to resume non-lethal aid to the rebels.

Another FDN-connected corporation, the Nicaraguan Development Council, helped start a second, larger fundraising effort through the Nicaraguan Refugee Fund last summer, according to several individuals close to the fund.

On April 15, the fund held a \$250 to \$500-a-plate banquet featuring a speech by President Reagan that drew nearly 700 people. But dinner officials say the fund is in debt and some have complained that contributions were not fully accounted for.

Alvaro Rizo, the fund's founder and a former diplomat under the late Nicaraguan dictator Anastasio Somoza, said the fund has "very friendly" relations with the FDN's development council but denied any formal ties. Rizo also said no money from the fund has gone to the FDN.

FDN's Washington spokesman Bosco Matamoros, who says he is executive director of the development council, also denied a link between the council and the fund.

But two sources close to the fund who insisted on anonymity said the fund was started last year through an agreement between Miner and Fraser Public Affairs Inc. and the FDN's development council.

Edie Fraser, Miner and Fraser president, confirmed that her firm did have an agreement with the council to plan a refugee fund and that the account was handled by Rizo, who at the time worked at Miner and Fraser. Later, Ms. Fraser said she could find no record of that agreement and claimed it must have been a personal arrangement between the council and Rizo.

She said the fund was incorporated by Rizo last September as part of the planning effort, but early this year, the tax-exempt fund was reorganized with Americans put in prominent positions.

Rizo and fund attorney Michael Schoor said the fund has not bought any relief supplies for Nicaraguan refugees living in Honduras and Costa Rica. But they said it paid transportation costs for one shipment of clothing and food collected in Miami and will pay hospital bills of a wounded Nicaraguan girl brought to Washington for the banquet.

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